

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

70 Maple Street
Manistee, MI 49660

MEETING MINUTES

July 28, 2015

A meeting of the Manistee City Brownfield Redevelopment Authority was held on July 28, 2015 at 2pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Meeting was called to order at 2:04 pm by Vice Chair Donald Kuk

Roll Call:

Members Present: Steve Brower, Dave Carlson, Donald Kuk, Marlene McBride, Jeffrey Stege

Members Absent: W. Frank Beaver (excused), Clinton McKinven-Copus (excused)

Others: T. Eftaxiadis (BRA Consultant), Ed Bradford (BRA Administrator), Denise Blakeslee (BRA Recording Secretary) and others

APPROVAL OF AGENDA

Motion by Dave Carlson, seconded by Steve Brower that the agenda be approved as prepared.

With a Voice Vote this motion passed unanimously.

APPROVAL OF MINUTES

Motion by Steve Brower, seconded by Marlene McBride that the minutes of the April 28, 2015 Brownfield Redevelopment Authority meeting be approved as prepared.

With a Voice Vote this motion passed unanimously.

PUBLIC HEARING

None

FINANCIAL REPORTS

Approval of Invoices

No invoices this quarter

Financial Statements

Finance Director Ed Bradford reviewed the Balance Sheet and Revenue/Expenditure Report with the Directors (attached).

NEW BUSINESS

Discussion of Lighthouse Park

T. Eftaxiadis spoke to the Directors about the concern about potential contamination at Lighthouse Park. There are several other communities that have wooden playground structures that were constructed at the same time where they have found arsenic contamination in the wood chips. After a request was received from the DPW Director and Interim City Manager he contacted some communities and the MDEQ about the matter. At the City DPW's request, and in consultation with MDEQ, T Eftaxiadis developed a Work Plan to collect samples of the wood used in the playground structure, woodchips and shallow soil at several locations at the park and analyze it for arsenic, copper and chromium. The sampling and analysis will be performed by Compliance Inc., an environmental consulting firm; T Eftaxiadis will provide liaison and oversight of the work. Compliance Inc. plans to perform the testing tomorrow; preliminary results are expected within approximately ten days. Once the report is received they will determine if more detailed testing is needed using the extra samples that will be collected tomorrow and held for testing, if needed. The results of the testing will determine how to proceed and if needed, coordinate actions with the MDEQ. Initial sampling, analysis and reporting is expected to cost about \$4, 500, additional testing may cost an additional \$2,000.

MOTION by Steve Brower, seconded by Marlene McBride that the Brownfield Redevelopment Authority authorizes the Brownfield Administrator to use monies in the fund for third party sampling and analytical work to assess the presence of heavy metals potentially present at Lighthouse Park, in an amount not to exceed \$7,000 without additional authorization.

With a voice vote motion passed unanimously.

Project Update

T. Eftaxiadis reviewed the staff report that was submitted (attached).

OLD BUSINESS

Discussion on Fees for Assistance to Developers

The Authority discussed how and when fees will be charged for assisting developers and redevelopers on various projects and how to establish fee amounts. Staff was directed at the April meeting to work on a document that can be used to determine fees for assisting with redevelopment inquiries.

The Directors reviewed the proposed fee policy and schedule.

MOTION by Jeff Stege, seconded by Dave Carlson that the Brownfield Redevelopment Authority authorizes the Brownfield Director to use the attached fee schedule for assistance to developers.

With a voice vote motion passed unanimously

PUBLIC COMMENTS AND COMMUNICATIONS

No public in attendance

CORRESPONDENCE

No Correspondence was received.

STAFF REPORTS

Council Presentation

Ed Bradford and T. Eftaxiadis discussed the annual report that was given to City Council on June 2, 2015 reporting the Brownfield Redevelopment Authority's activities this past year.

Denise Blakeslee spoke to the Directors about the Redevelopment Ready Communities Program. Next year the members of the Brownfield Redevelopment Authority will be asked to attend the annual meeting with City Council and various Boards and Commissions.

MEMBERS DISCUSSION

Director Carlson spoke about how exciting it is to see what is happening on River Street and the need to educate the property owners on various programs available.

The next regular meeting of the Brownfield Redevelopment Authority will be held on October 27, 2015.

ADJOURNMENT

Motion by Marlene McBride, seconded by Dave Carlson that the meeting be adjourned. MOTION PASSED UNANIMOUSLY.

Meeting adjourned at 3:17 pm

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

Denise J. Blakeslee, Recording Secretary

REVENUE/EXPENDITURE REPORT

City of Manistee
For the Period: 7/1/2014 to 6/30/2015

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3:04 pm

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO							
Revenues							
Dept: 000							
676.000 Reimbursement							
349619 05/15/2015 AR RIETH-RILEY CONSTRUCTION CO.	American Materials - Brownfield		9,140.09	Invoice #00002103		2114	
Reimbursement	0.00	0.00	9,140.09	0.00	0.00	-9,140.09	0.0
Dept: 000	0.00	0.00	9,140.09	0.00	0.00	-9,140.09	0.0
Revenues	0.00	0.00	9,140.09	0.00	0.00	-9,140.09	0.0
Expenditures							
Dept: 000							
801.000 Professional Services							
332684 08/07/2014 AP MORINKATHY//	River Parc Place & North		756.25	INV#		78961	
332679 09/02/2014 AP EFTAXIADIS CONSULTING INC	Consulting Services		403.75	INV#	CMBRA-1408	78956	
337612 11/13/2014 AP EFTAXIADIS CONSULTING INC	Consulting - Hotel Northern		191.25	INV#		80111	
342036 01/12/2015 AP EFTAXIADIS CONSULTING LLC	Consulting - BRA/334 River St.		318.75	INV#	CMBRA-1410R	81120	
343492 02/01/2015 AP EFTAXIADIS CONSULTING LLC	Consulting, Brownfield Service		743.75	INV#	CMBRA-1501	81413	
348348 04/15/2015 AP EFTAXIADIS CONSULTING LLC	Consulting, Brownfield Service		1,742.50	INV#	CMBRA-1503	82107	
Professional Services	0.00	0.00	4,156.25	0.00	0.00	-4,156.25	0.0
900.000 Printing & Publishing							
331487 07/31/2014 AP PIONEER GROUP/THE//	Advertisements		34.00	INV#	#1100167 - 07/31/14	78734	
337727 10/31/2014 AP PIONEER GROUP/THE//	Advertisements		78.25	INV#	#1100167 - 10/31/14	80226	
Printing & Publishing	0.00	0.00	112.25	0.00	0.00	-112.25	0.0
Dept: 000	0.00	0.00	4,268.50	0.00	0.00	-4,268.50	0.0
Dept: 691 MDEQ Loan							
990.000 American Materials MDEQ Loan							
349794 05/31/2015 AP STATE OF MICHIGAN - MDEQ	Brownfield Redevelopment Loan		9,140.09	INV#	PR #431839-00 - #3	82489	
American Materials MDEQ Loan	0.00	0.00	9,140.09	0.00	0.00	-9,140.09	0.0
MDEQ Loan	0.00	0.00	9,140.09	0.00	0.00	-9,140.09	0.0
Expenditures	0.00	0.00	13,408.59	0.00	0.00	-13,408.59	0.0
Net Effect for BROWNFIELD REDEVELOPMENT AUTHO	0.00	0.00	-4,268.50	0.00	0.00	4,268.50	
Change in Fund Balance:			-4,268.50				

BALANCE SHEET

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7/15/2015
3:03 pm

City of Manistee

As of: 6/30/2015

Balances

Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO

Assets

001.000 Cash

31,494.67

Total Assets

31,494.67

Reserves/Balances

390.000 Fund Balance

35,763.17

398.000 Change in Fund Balance

-4,268.50

Total Reserves/Balances

31,494.67

Total Liabilities & Balances

31,494.67

Memo

To: City of Manistee Brownfield Redevelopment Authority Directors and Administrator
From: T. Eftaxiadis, Eftaxiadis Consulting LLC
Date: July 28, 2015
Re: Project Status

The status of projects since the last Brownfield Redevelopment Authority ("Authority") meeting is as follows:

1. South Washington Area Redevelopment, River Park Place and North Channel Outlet. The Act 381 Work Plan is under preparation by the Authority. Staff is working with Developer, DPW and City Engineer to obtain cost breakdowns for public infrastructure improvements.
2. H&K Property and Hotel Northern Property. We have had no contacts by the new owners/developers concerning their desire to obtain Authority assistance for MSHDA/MEDC redevelopment grants for these projects. Further staff effort will be expended when/if owners/developers submit the project application (and associated fees) to the Authority.
3. Hokanson Property. We have had no contacts by the new owner/developer concerning his desire to obtain Authority assistance for a Brownfield TIF and/or MEDC redevelopment grant for this project. Therefore, no further staff effort will be expended until the owner/developer submits the project application (and associated fees) to the Authority.
4. Rodeway Inn. Authority staff has not had contacts by the new owner of the property concerning Brownfield TIF assistance.
5. Glick's Property. Staff has participated in public meetings with and assisted representatives of the MEDC and its real estate consultant generating conceptual redevelopment plan for the property.
6. 334 River Street Property. Based on increased property assessed and taxable values, staff anticipates that Brownfield TIF increments will be generated starting with payment of the Winter 2015 taxes. Estimated TIF capture and reimbursement projections have been generated by staff.
7. Lighthouse Park. Staff is assisting the City's DPW with an environmental assessment of material at the park (treated wood, wood chips, and soils) potentially impacted by chemicals associated with wood preservation. Staff prepared the Work Plan for the assessments and coordinates and oversees the field work by a third party environmental firm on behalf of the DPW.

Please let me know if you have any questions or require additional information.

CITY OF MANISTEE BROWNFIELD REDEVELOPMENT AUTHORITY

Redevelopment Project Funding Assistance Process Outline

This document provides an outline of the steps and activities required to process requests for funding assistance by the City of Manistee Brownfield Redevelopment Authority (CMBRA) in support of redevelopment projects within the City.

STEP 1. PRE-APPLICATION ACTIVITIES (No Fee Required)

1. Receipt by staff (CMBRA Administrator, Zoning Administrator, CMBRA Consultant) of new/prospective property Owner or Developer ("Owner/Developer") inquiries concerning CMBRA/City assistance with pursuing redevelopment financial support through City and/or State (MEDC, MSHDA, etc.).
2. Initial staff discussion of inquiry. Assignment of staff contact with Owner/Developer.
3. Initial site visit and prospective project discussion with Owner/Developer.
4. Request for completion and submittal by Owner/Developer of CMBRA Redevelopment Pre-Application Form (Attachment A).
5. Staff review of Pre-Application and initial determination of project viability and desirability.

STEP 2. APPLICATION FOR REDEVELOPMENT PROJECT FUNDING (Fees Required)

1. Submittal of Application for Redevelopment Project Funding prepared by applicant and receipt of application fee **(\$2,000)**.
2. Administrative and technical review of Application by CMBRA, and City representatives (if needed).
3. Evaluation of applicant's request for financial assistance by CMBRA and City. Make Go – No Go decision.
4. Meeting with applicant, CMBRA, City and Michigan Department of Environmental Quality (MDEQ) and Michigan Strategic Fund (MSF).
5. Preparation by BRA of standard BRA Plan, including Eligible Costs and Tax Increment Financing (TIF) tables (if applicable) based on information provided in application.
6. Preparation by BRA and City, of Standard Development & Reimbursement Agreement between CMBRA, City (if appropriate) and applicant.

The application fee of **\$2,000** is due with the submittal of the Application and it is non-refundable. Legal fees incurred by the BRA and City for the preparation, review or negotiation of a non-standard Development & Reimbursement Agreement will be invoiced to the applicant at cost and will be payable prior to proceeding with Step 3 of the redevelopment assistance process.

STEP 3. BROWNFIELD PLAN PROCESSING

1. Scheduling of CMBRA public hearing, preparation of resolution, and posting (twice) of notice of public hearing.

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2. Public hearing on BRA Plan by CMBRA, followed by meeting of CMBRA to discuss and act on BRA Plan and Development & Reimbursement Agreement.
3. Meeting of City Council to discuss and act on BRA Plan.

A non-refundable BRA Plan processing base fee **(\$1,500)** is due prior to scheduling the CMBRA's meeting to act on the BRA Plan. An additional fee **(1%)** of the requested TIF reimbursement amount, not to exceed \$10,000, will be added to the \$1,500 base fee.

Substantially more complex projects that require integration of additional forms of financial support that may be pursued by the CMBRA or City on behalf of the Owner/Developer (MSHDA, USDA or MEDC Grants and/or Loans), will require an additional fee **(\$3,000)** per grant/loan application or a **(2.5%) fee** of the grant/loan application amount, whichever is more.

STEP 4. BROWNFIELD ACT 381 WORK PLAN PROCESSING

1. Preparation by CMBRA staff of Brownfield Act 381 Work Plan (Work Plan) for reimbursement of the Owner/Developer's "eligible" redevelopment costs.
2. Meeting of CMBRA to discuss and act on Work Plan.
4. Submittal by CMBRA, and coordination with MDEQ and/or MSF of Work Plan for review and approval.

A development and processing fee for the Work Plan **(\$4,000)** is due prior to the preparation of the Work Plan. The Work Plan development and processing fee covers the CMBRA's actual costs (estimated at \$1,000 to \$4,000 depending on the complexity of the project). The processing fee of \$4,000 will be placed in escrow to be used for payment of CMBRA's costs. The unused portion of the fee will be refunded to the Owner/Developer. This processing fee is an "eligible" cost, therefore it will be included in the BRA Plan and in the Work Plan to be reimbursed to the Owner/Developer by the CMBRA through future incremental tax revenues.

STEP 5. PROJECT IMPLEMENTATION

Following project initiation, the CMBRA will oversee the implementation of the project as approved in the BRA Plan, Work Plan and Development & Reimbursement Agreement including, but not limited to:

1. Review and approval of applicant's invoices for "eligible" costs.
2. Review of environmental assessment and remediation reports, if applicable.
3. Inspections of project construction and completion.
4. Capture of, and accounting for incremental tax revenues.
5. Reimbursement of "eligible" costs to applicant.
6. Preparation of annual reports to State.

The CMBRA's costs for performing these functions will be reimbursed through the Administrative Fees included in the BRA Plan and the Act 381 Work Plan.